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Mr. Tunku Varadarajan
Editorial Features Editor
The Wall Street Journal

Fax: (212) 416-2255

Dear Mr. Varadarajan:

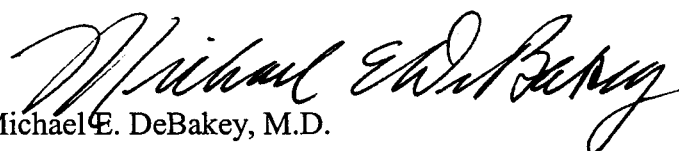
I am concerned about reports coming out of the House-Senate Medicare conference that Congress may not restore critically needed levels of funding to our nations teaching hospitals. While we all know that America produces the world's best physicians and provides the world's best healthcare, that superiority derives largely from the federal government's support for teaching hospitals through Medicare's "indirect medical education" (IME) payments.

Efforts to balance the federal budget have cut IME payments by 30 percent since 1997. The attached opinion editorial reviews the grave financial crisis now facing teaching hospitals across the nation and points to the likely consequences that Americans, young and old, will experience if these funds are not restored. In my view, the long-term ramifications of this crisis are as serious as any issue facing our healthcare system. And, of course, healthcare will be a potent political issue in the Presidential campaign. A recent Harris poll showed that the public considers healthcare to be a top priority for future spending - - above entertainment and leisure, clothing, and even food.

Thus far, news coverage and discussion of the Medicare bill have focused on the prescription drug benefit package. I submit the attached article in the hope that *The Wall Street Journal* will inform its readers of this important, but less recognized, crisis in our healthcare system.

Thank you for your consideration. I look forward to hearing from you.

Sincerely,



Michael E. DeBakey, M.D.

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Enclosure